

DOT Sees Waterways as Alternative to Strained Rail and Highway Systems

If you've spent time wedged among 18-wheelers in a traffic jam lately, you know how congestion has hit the Nation's highway system. The nation's railroads are feeling the pinch of congestion, too; and forecasts are that the traffic will get worse before it gets better.

America's economic growth and voracious consumer demand is likely to strain the capacities of all our transportation modes over the next couple decades, according to preliminary information in a study underway by the U.S. Department of Transportation. Their "[Freight Analysis Framework](#)" predicts huge growth in U.S. freight traffic by 2020. Traffic forecasts in the study suggest America won't be able to build its way out of it with highways. They're saturated now, and the cost of expansion would be monumental. For example, Virginia had to cut its 6-year highway program when escalating costs of a few enormous projects at the worst bottlenecks left little for other roads in the State.

Railroads can carry more in some corridors through improved signal technology and double tracking, but they have limits, too, especially through urban areas. Railroads, we must remember, are largely owned by private companies and funded by their investors. Where they expand, profit considerations often push them to focus on higher value cargo at the expense of coal, grain and other bulk commodities. We're already seeing this in Midwest grain markets - railroad companies often aren't interested in business bringing in relatively low revenues per ton-mile when they can deploy their assets elsewhere for higher returns.

That leaves more bulk cargo either moving by water or not moving at all. The Nation's waterways, both coastal and inland, are the only mode with long-term potential excess capacity. Corps of Engineers waterway studies have typically assumed that if waterway costs go up, shippers will eventually divert their cargo to rail. That, however, assumes there is an adequate rail system in place, available to handle the extra load. That, however, might not always be the case; so future Corps studies may need to consider the impacts if railroads - or highways - are not available to handle the extra load, or if significant investment would be required.

DOT's study is telling us that railroads and highways are going to face major capacity constraints long before 2020, but that by then, if America takes care of its waterway infrastructure and invests in sensible capacity improvements, water transportation could be crucial to meeting the Nation's freight demands. Waterways could also be handling a different mix of higher value commodities, including containers, that we don't often see there today. Already, the fastest growing commodity group on inland waterways is manufactured goods.

Europe is already at the point where DOT predicts America will be in 20 years.

Their highways are saturated, and their rail network, due to low clearances, can't handle double-stack containers like U.S. rail does. So the European Union is moving to divert traffic to its waterways, introducing unique inland waterway vessels just for containers that move at higher speeds than conventional towboats and are competitive with truck delivery, and streamlining regulations to make waterways more attractive and competitive. (Trucks in Europe also pay higher taxes and fees that reflect their environmental impacts.)

Europe sees waterways as critical for getting bulk freight to and through urban areas, and may be showing us a possible future for our own waterways.